

Human Resource Management (HRM) Research Methods in Multinational Corporations

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- The interrelationship between corporate strategies and the productive outcomes associated with the workforce begs the question: What more can management do to execute strategy through the workforce?
- To gain an understanding of the philosophical issues underlying the workforce contribution to strategies, a conceptual analysis approach is used to
 - evaluate human resource management research practices; strategic business objectives; and workforce outcomes in global organizations.
- The objective is to shift from assessing activities to understanding the deeper issues influencing the contribution of a global workforce to the multinational firm's strategic success.

Introduction

- Human resource management research methods concentrate on the development of metrics to align with human resource policies; such as those that relate to turnover and retention rates, training results, and performance appraisals.
- When the research methods do not link the metrics to corporate strategic initiatives, the data may present a limited interpretation, representing a specific area of interest.
- However, in the global market, identifying the issues underlying the impact of the workforce on strategic initiative and outcomes may prove to be challenging.
- The overall objective of this conceptual study is to recognize the relationship of human resource management (HRM) research methods, business practices, and workforce outcomes to the firm's strategic success in a multinational setting.

Theoretical Background

- Division of labor and standardized production processes created an economy of scale, managed by centralized organizational structures that continued to grow well into the 20th century.
- As a result of the beginnings of “mass production in the early part of the 20th century”, “the nature of job and task design evolved” to “routine, machine-paced jobs that afforded little personal control or autonomy” (Vance, 2006).
- After World War II, organizational structures were increasingly decentralized. Production control and decisions were given to smaller, autonomous units.
- During the 1950s, in an effort to gain employee commitment and to enhance their performance, employers turned toward “the beneficial effects of job enlargement (broadening the scope of job tasks) and job enrichment (providing more complex and challenging tasks)” (Vance, 2006).
- In the 1970s, the identification of job characteristics; i.e. “skill variety, task identity, task significance, autonomy, and performance feedback”, were widely accepted by management as the foundation for promoting employee engagement (Vance, 2006).
- Currently, the global economy is dominated by businesses with varied organizational structures
 - The crux of the situation is that organizations need to “recognize and address the various human and business realities of the company—as a prerequisite for long term success” (eNotes Organizational Structure, n.d.).

Problem Definition

- A narrow view of productivity rates can lead to decisions to conduct a study that concentrates on management procedures.
- However, there may be other issues contributing to the change in rates.
 - Targeting one issue, management, may limit the view and create unnecessary tension.
 - Are productivity rates a sufficient gauge for strategic success?
 - Perhaps, the reason for reduced productivity is a reduction in sales; thereby, indicating that strategy may need to adapt to changing market requirements.
- What is required to sustain increases? What kind of mechanisms are in place to detect reasons for and correct any changes to revenues and expenses that may affect productivity? Is this information shared and applied to revise strategies, as needed? What is the workforce contribution to the strategic revisions?

Significance of Research

- The increase of multinational conglomerates is influencing many factors in the workplace, including human resource research policies and strategic initiatives.
- As firms expand into other countries, national issues, such as “the extent of government involvement and the degree of unionization”; may add complexity (Edwards, 2004, p. 390).
- Furthermore, firms are not satisfied with the effectiveness of their employee relations (ER) strategy.
 - There is a lack of alignment between employee relations and the corporate strategy and culture.
 - There is a lack of commitment of line management to implementing ER policies.
 - And, there is a lack of flexibility in the ER policies themselves to meet shifting business demands.
- Thereby, indicating the relevance of understanding the impact of the global workforce in meeting business objectives.

Synthesis of Scholarly Literature

- In their text titled “*The Workforce Scorecard: Managing Human Capital to Execute Strategy*” (2005), researchers Mark A. Huselid, Brian E. Becker, and Richard W. Beatty
 - promote that their “approach to workforce measurement is distinguished in that the definition of workforce success is based on the contribution to strategy execution rather than measuring only HR activities and workforce potential (competencies)” (p. 148).
- However, holding leaders accountable in the global workplace is complicated by the process of identifying and integrating an explicit workforce strategy and workforce metrics.
 - For one, global employee relations (ER) are the most difficult to transfer and the most subject to the host-country effect.
- In the global marketplace, the issue is of interest to firms as they attempt to juggle the integration of a best fit between the requirements of local regulations, with practices and policies that align with the corporate strategic goals and that also meet the standards that employees are expecting in a firm in that country (Brewster, Sparrow, & Vernon, 2007).

Analysis (1 of 3)

- “Employment practices, like any other social custom, are strongly influenced by the context in which they operate” (Edwards, 2004, p. 390).
 - Nonetheless, if issues are correctly identified, an evaluation can provide valuable information about the impact on strategic success.
 - On the contrary, if “there is no common measure of an outcome”; “a causal connection between the program and the observed outcomes” can produce skewed results (U.S. Government Accountability Office, 2012, p. 54).
- In this conceptual analysis, the issue is not to emphasize the assessment of activities but to develop a better understanding of the productive outcomes associated with the workforce in relation to a multinational firm’s strategic success.

Analysis (2 of 3)

- **Quantitative Data**

- Instead of creating a set of metrics that are relative to the needs of human resources; i.e. the required number of workers / productivity; HRM can seek to produce reports that link directly to strategic initiatives as supported by the workforce.
- For example, the required number of workers to achieve productivity levels can be linked to a strategic initiative to reduce production to shipping timeframe for certain regions. The obvious deduction might be to work faster. However, HRM research methods that include quantitative data for a variety of areas, such as marketing, sales, production, and shipping, may draw a different conclusion.

- **Qualitative Data**

- To expand on the quantitative data scenario, when answers to the quantitative questions indicate the need for further analysis, qualitative data might identify underlying reasons.
- For example, in one company, where a major strategy was to improve the response rate to agents, the customer service representatives' complaints about their software application were largely ignored. Hence, they did not have the information needed to improve the service. The frustration levels grew; the working relationship for both agents and customer service representatives reached hostile levels. In this case, the qualitative data, linking strategy to workforce productivity requirements, were not considered.

Analysis (3 of 3)

- **Data Triangulation**

- Data triangulation can improve the understanding of the interrelationships of multiple departments and the influence of workforce outcomes on corporate strategies. However, the crux of the issue is to construct reports that identify the outcomes and link those outcomes to strategies.
- Triangulating quantitative data from production, cost accounting, shipping, and marketing might indicate if and where the market expansion is increasing profitability;
- however, it may duly overlook the qualitative insight of the workforce to reduce those costs.
- Or, perhaps, the market is expanding; yet the workforce is unaware of their input to that success. All they may know is that they have to work overtime again and the deadlines to meet for production schedules are negatively challenging.
- The question remains as to why there are market areas that are not as successful.
- This missing information may affect decisions for future expansions into other markets.

Executing Strategy Through the Workforce

- The main issue is “how to sustainably transform global human resources into core business processes that can achieve the business outcomes, which stimulate organizational growth and development” (Mothibi, 2015, p. 1).
- Well known topics such as team work, communication, and leadership are certainly of primary importance; however, human resource research needs to delve into the full scope of the relationship of corporate strategies and workforce potential.
- Human resource managers should not limit their presentation of data to their programs but should endeavor to integrate the results as part of a total picture.
 - For instance, while human resource managers may concentrate on the attraction and retention of science, technology, engineering and mathematics (STEM) candidates, the overall objective should be to identify why and how the candidate will contribute to the development and success of the business strategies.
 - The research may begin by linking the job description to the outcomes; i.e. the job description for scientific research may influence product development that becomes part of a major marketing campaign for a successful new product or revisions to or suggested new uses for an existing one.
- Above all, limiting the scope may undermine the full understanding of the employee’s contribution to the firm’s strategic initiative.

Discussion Points

- Executing strategy through the workforce requires an inclusive approach to link the outcomes and strategies.
- An action research approach relies on reflective conversation regarding everyday experiences that, in turn, encourages the development of ideas; thereby,
 - Promoting a flexible understanding of the workforce contribution to the firm's strategic success
 - And facilitating the development and implementation of realistic, practical applications.
- Using technology to share this information can contribute to the successful transition from performance assessments that are restricted to what the job tasks define; to assessing the correlation of productivity with strategic goals.
- Different interpretations of reports by varying levels of the workforce may serve to identify 'weak' areas.
 - To borrow from the methods of gamers-- concentrate on strategy to move up to the next level! By concentrating on strategy, gamers identify weaknesses in what is happening to succeed.
- Undoubtedly, there will continue to be "challenges; such as, determining performance standards and metrics, and accountability issues" (Verbeke, 2008, p. 162).

Conclusion

- When acted upon, the input from the diverse workgroup of a multinational organization can serve to enhance the initiatives of the company in many ways,
 - Including the areas of niche marketing, customer service, product development marketability, as well as in generating creative suggestions for strategic goals (Kurlander, 2004).
- Nonetheless, linking the workforce outcomes to strategies will require more than cost productivity or retention reports.
 - These HRM assessment reports are certainly relevant; however, understanding the full range and effect of productive outcomes will require identifying then interpreting and applying the conclusions drawn from multiple points of data.
- Ultimately, the organization will need to do more than create an analysis of data as based on an organizational or workflow chart.

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